

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION

BISSELL OIL OPERATING CO., INC.

Plaintiff,

-vs-

CIVIL DOCKET NO: 13-3028

DENBURY RESOURCES, INC.,
ENCORE OPERATING LOUISIANA LLC,
ENCORE ACQUISITION COMPANY,
ENDURO OPERATING, LLC,
GREYSTONE OIL & GAS, LLP,
ARKOMA LOUISIANA LLC,
B. CHARLES SPRADLIN,
LARRY T. LONG,
WOODBINE PRODUCTION CORPORATION,
AND, BILLY GLENN SPRADLIN

JUDGE:

MAGISTRATE JUDGE: Hornsby

Defendants

COMPLAINT

Bissell Oil Operating Co., Inc., through undersigned counsel, complains of defendants
as follows:

JURISDICTION AND VENUE

1.

Jurisdiction in this matter is based on diversity of citizenship pursuant to 28 U.S.C. § 1332 as the matter in controversy exceeds \$75,000 exclusive of interest and costs and plaintiff Bissell Oil Operating Co., Inc., is incorporated under the laws of Wyoming and has its principal place of business in Chicago, Illinois. All defendants are either citizens or residents of states and are incorporated in and have their principal place of business in states other than Wyoming or Illinois.

2.

Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)(2) in that the property at issue is located in Caddo Parish, Louisiana in this judicial district and many of the events involved in this matter occurred in that Parish.

PARTIES

3.

Plaintiff Bissell Oil Operating Co., Inc. at all relevant times has been engaged in the oil and gas business, including the ownership of leases in the State of Louisiana. Bissell Oil Operating is the successor to Bissell Oil Company, a general partnership. Together, the two entities in this matter are referred to as "Bissell" unless otherwise specified.

4.

Made Defendants herein are:

- a. Denbury Resources, Inc., a Non-Louisiana corporation, whose present mailing address is 5320 Legacy Drive, Plano, TX 75024;
- b. Encore Operating Louisiana, LLC, C/O Denbury Resources, Inc., a Non-Louisiana corporation, whose present mailing address is 5320 Legacy Drive, Plano, TX 75024;
- c. Encore Acquisition Company, C/O Denbury Resources, Inc, a non-Louisiana corporation, whose present mailing address is 5320 Legacy Drive, Plano, TX 75024;
- d. Enduro Operating, LLC, a Non-Louisiana limited liability company, whose present mailing address is 777 Main Street, Suite 800, Fort Worth, TX 76102;
- e. Greystone Oil and Gas LLP, C/O Denbury Resources, Inc. a Non-Louisiana corporation, whose present mailing address is 5320 Legacy Drive, Plano, TX 75024;
- f. Arkoma Louisiana, LLC, a Louisiana limited liability company, whose present mailing address is 203 E Interstate 30, Rockwall, TX 75087;
- g. B. Charles Spradlin, an individual domiciled in Kilgore, Texas, whose present mailing address is 29 Rim Road, Kilgore, TX 75662;
- h. Larry T. Long, an individual domiciled in Kilgore, Texas, whose present mailing address is P O Box 1777, Kilgore, TX 75662;
- i. Woodbine Production Corporation, a Non-Louisiana corporation, whose present mailing address is P O Box 1777, Kilgore, TX 75662; and,
- j. Billy Glenn Spradlin, an individual domiciled in Kilgore, Texas, whose present mailing address is 29 Rim Road, Kilgore, TX 75662.

5.

Bissell has owned and continues to own an interest in that certain lease from Etah Colvin Cook et al., to Amoco Production Company, dated August 8, 1978, recorded in the conveyance records of Caddo Parish, on September 22, 1978, as instrument number 769904 ("Cook Lease"). The Cook Lease conveys certain oil and gas rights in the north half of fractional Section 30, Township 16N, Range 16W in Caddo Parish, Louisiana.

6.

By diverse conveyances, Apache Corporation came to own certain interests in the Cook Lease. By assignment dated November 17, 1992, and effective December 12, 1992, Apache transferred and assigned all its interest in the Cook Lease to Bissell Oil Company, which assignment was recorded in the conveyance records of Caddo Parish on January 5, 1993, as instrument number 1371756. Thereafter, Bissell Oil Company assigned the Cook Lease to Bissell Oil Operating Co., Inc., by assignment dated November 8, 2005, and recorded on January 9, 2006, as instrument number 2015333. At all times from December 12, 1992, Bissell has continuously owned an interest in the Cook lease, including ownership of 60% of the depths between 8,642 and 9,425 feet.

7.

Enduro Resource Partners LLC, ("Enduro") has been the operator of the Cook 1-D-Alt well on the Cook Lease since on or about December 1, 2010. In addition, Enduro has either proposed, drilled, or completed the Querbes 29-16-16H No. 1, on the Cook Lease.

8.

Defendants Encore Operating Louisiana LLC, Encore Acquisition Company, and Greystone Oil & Gas LLP, and Denbury Resources Inc., are oil and gas companies and predecessors in interest to Enduro and prior operators of the Cook 1-D-Alt well (together, the “Operating Defendants”).

9.

Defendants Arkoma Louisiana LLC, B. Charles Spradlin, Larry T. Long, Woodbine Production Company and Bill Glen Spradlin (together the “Woodbine claimants”) have asserted a competing claim to ownership of interests in the Cook Lease between the base of the Cotton Valley D Sand (believed to be 8,642) and 9,425 feet based on a later 1995 conveyance from Apache’s successors.

THE FACTS

10.

The Cook 1-D-Alt well was drilled to a depth of 9,972 on February 19, 2008, and recompleted to 9,865 on April 22, 2008. Both of these drill depths are below Bissell’s interest in the Cook Lease. However, on February 19, 2008, the Cook 1-D-Alt well was perforated at depths between 9,280-9,302 feet. These depths are within those covered by Bissell’s interest in the Cook Lease. Enduro and its predecessors in interest have continuously produced oil and gas in commercial quantities from those depths since that date.

11.

In addition, Enduro has obtained a permit for and either has or is about to drill and complete the Querbes 29-16-16H No. 1. Bissell has an interest in this unit and Querbes 29-16-16H No. 1 by virtue of its interest in the Cook lease.

12.

On or about February 10, 2013, Bissell learned that the Woodbine claimants assert that they owned the 60% of the depths between 8,642 and 9,425 owned by Bissell.

13.

Bissell has contacted Enduro and the Woodbine claimants and informed them of Bissell's superior claim in the Cook Lease. The Woodbine claimants continue to assert their claim. Enduro has refused to recognize Bissell's interests in light of alleged cloud created by the claims asserted by the Woodbine claimants.

CLAIM I— DECLARATORY JUDGMENT TO QUIET TITLE—AS TO ALL DEFENDANTS

14.

At all times since December 2, 1992, Bissell has owned 60% of the depths between 8,642 and 9,425 feet under the Cook Lease. Bissell desires a judgment establishing its rights in the Cook Lease.

CLAIM II— ACCOUNTING AND DAMAGES—AS TO ALL DEFENDANTS

15.

Despite having providing sufficient title information to the Operating Defendants, Bissell has not received its share of revenues from the Cook 1-D Alt well. Bissell desires an accounting, payment of all sums owed, and damages related to the unpaid amounts.

16.

WHEREFORE, plaintiff prays that this Court

A. Enter a declaratory judgment that Bissell is the owner of such interest, and that the Woodbine claimants have no interest therein.

B. Declare and direct Enduro, Denbury, Greystone and Encore and their successors to recognize Bissell as the sole owner of such interests since December 2, 1992.

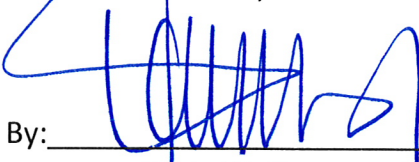
C. Order defendant Enduro, Greystone, Denbury and Encore to provide Bissell an accounting of all gross and net revenues from the Cook 1-D-Alt beginning the first date of production of such well.

D. Award Bissell against Encore, Greystone, Denbury, Enduro, and Woodbine Claimants, jointly and severally, all sums owed with interest thereon and its costs of this action.

E. Such other relief as this Court may deem appropriate.

Respectfully submitted:

KEVIN W. HAMMOND, APLC



By: _____

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